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FM THE SITUATION ROOM//TODHAK 55//

TO ADAMS FOR THE SECRETARY

UNCLAS VIA BLACK PATCH WH51163

TODHAK 55

JULY 3, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

PRIME MINISTER GANDHI CHARGED YESTERDAY THAT IT WAS THE OPPO-
SITION, NOT SHE, WHO HAD FAILED TO FULFILL THE OBLIGATIONS
IMPOSED ON IT BY DEMOCRACY. MRS. GANDHI SAID THAT DEMOCRACY
IN INDIA HAD GIVEN TOO MUCH LIBERTY TO PEOPLE WHO, WHETHER
IN NEWSPAPERS OR IN THE OPPOSITION, WERE TRYING TO MISUSE
IT AND WEAKEN THE NATION'S CONFIDENCE. (A-1)

A U.S. ARMY COLONEL WAS DRAGGED FROM A TAXICAB IN BEIRUT
BY ARMED MEN ON SUNDAY AND HAS BEEN MISSING EVER SINCE,
THE STATE DEPARTMENT SAID YESTERDAY. THE COLONEL WAS
IDENTIFIED AS ERNEST MORGAN, 43, ATTACHED TO THE CENTRAL
TREATY ORGANIZATION IN ANKARA. HE WAS MAKING A TRANSIT
STOP IN BEIRUT AS HE RETURNED FROM CENTO EXERCISES IN
PAKISTAN. (A-1)

MARILYN BERGER REPORTS ON YOUR MEETING WITH SOVIET FOREIGN
MINISTER GROMYKO IN GENEVA NEXT WEEK TO DISCUSS THE CON-
TINUING DIPLOMATIC STALEMATE IN THE MIDDLE EAST AND STRATEGIC
ARMS LIMITATIONS. (A-2)

TURKEY IS "SYSTEMATICALLY COLONIZING" CYPRUS BY SHIPPING

*****WHSR COMMENT*****

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1,500 MAINLAND TURKS EACH WEEK TO THE ISLAND, CYPRUS AMBASSADOR NICOS GIMITRIOU CHARGED YESTERDAY AT A PRESS CONFERENCE AT THE CYPRUS EMBASSY THERE. CITING INTELLIGENCE AND DIPLOMATIC SOURCES, GIMITRIOU SAID THE TURKISH GOAL IS TO CHANGE THE DEMOGRAPHIC CHARACTER OF THE ISLAND AND THEREBY TO BOLSTER TURKISH CLAIMS TO THE 40 PERCENT LAND AREA IT HAS UNILATERALLY DECLARED A TURKISH STATE. (A-2)

SENATOR DEWEY BARTLETT, ACCOMPANIED BY A HANDFUL OF STAFF EXPERTS, FLEW TO SOMALIA YESTERDAY TO CHECK DEFENSE SECRETARY SCHLESINGER'S CLAIM THAT THE RUSSIANS ARE INSTALLING SURFACE-TO-SURFACE MISSILES THERE. (A-2)

VICTOR ZORZA WRITES THAT HANOI RADIO HAS INSTITUTED THREE NEW LANGUAGE COURSES FOR ITS LISTENERS -- RUSSIAN, CHINESE, AND ENGLISH, EACH RECEIVING AN IMPARTIAL HALF HOUR A DAY. THE DECISION, TAKEN NO DOUBT AFTER DUE DELIBERATION, COINCIDED WITH RECENT SIGNALS FROM NORTH VIETNAMESE LEADERS THAT THEY WANTED TO BE FRIENDS WITH THE U.S. SOME SIGNS FROM HANOI HAD PREVIOUSLY SUGGESTED THAT NORTH VIETNAM MIGHT WELCOME A NEW U.S. ROLE IN SOUTHEAST ASIA TO BALANCE THE POWER OF THE SOVIET UNION AND CHINA -- OR TO PLAY EACH OF THEM OFF AGAINST THE OTHERS. ZORZA SAYS YOUR TACTICS IN EXTRACTING THE PARIS AGREEMENT FROM HANOI RELIED HEAVILY ON THE SINO-SOVIET SPLIT, WHILE AT THE SAME TIME EXPLOITING THE DIFFERENCES BETWEEN THE HAWKS AND THE DOVES IN THE NORTH VIETNAMESE LEADERSHIP. WITH THE WAR OVER, THE HANOI DOVES MAY WELL FAVOR A NEW RELATIONSHIP WITH THE U.S. BASED ON RECONSTRUCTION AID, WHILE THE HAWKS MAY BE RESPONSIBLE FOR SOME OF THE HARSHER TALK ABOUT SPREADING THE REVOLUTION TO THE REST OF ASIA. THE SINO-SOVIET CONFLICT PLAYS AN INCREASING ROLE IN THE AREA. BOTH MOSCOW AND PEKING ACCUSE EACH OTHER OF SEEKING TO FILL THE VACUUM CREATED BY THE DEPARTURE OF THE U.S. FROM INDOCHINA. BUT MOSCOW WANTS TO PUSH THE U.S. OUT OF THE REST OF ASIA, WHILE PEKING PREFERS THE U.S. PRESENCE TO CONTINUE IN ORDER TO DELAY THE ARRIVAL OF THE RUSSIANS UNTIL CHINA IS STRONG ENOUGH TO HANDLE THEM. WHERE DOES HANOI STAND IN ALL THIS? IT IS TELLING ITS CITIZENS TO LEARN RUSSIAN, CHINESE -- AND ENGLISH. (A-19)

PETER OSNOS DESCRIBES THE THREE-DAY VISIT TO MOSCOW BY 14 U.S. SENATORS WHICH ENDED YESTERDAY WITH A TWO-HOUR SESSION WITH PARTY LEADER BREZHNEV. THERE WERE NO STARTLING DEPARTURES FROM LONG-HELD POSITIONS DURING THE SESSION AT THE KREMLIN, BUT THE SENATORS SAID LATER THAT THEY WERE HOPEFUL THAT SOME PROGRESS MIGHT DEVELOP FROM GREATER MUTUAL UNDERSTANDING. (A-21)

EVANS AND NOVAK REPORT ON PRESIDENT FORD'S APPEAL TO CONGRESS TO WAIVE THE JACKSON AMENDMENT FOR ROMANIA. THIS INVOLVED

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HERE IS FAR MORE THAN SIMPLY THE QUESTION OF EXTENDING MOST-FAVORED-NATION STATUS TO ROMANIA. AT STAKE IS A BASIC PRINCIPLE OF U.S. FOREIGN POLICY TO WEAKEN ONCE-MONOLITHIC SOVIET CONTROL OVER ITS EASTERN EUROPEAN EMPIRE. THAT PRINCIPLE SUPPORTS DOING WHATEVER IS POSSIBLE TO ENCOURAGE DIVERSITY AND INDEPENDENT POLICIES WITHIN THE SOVIET UNION'S COMMUNIST ORBIT. YET, EVEN THOUGH TRADE WITH THE U.S. IS AN OBVIOUS LEVER WITH WHICH TO ENCOURAGE ROMANIAN DIVERSITY, IT IS NOW BEING BLOCKED BY AN ACT OF CONGRESS DESIGNED NOT NEARLY SO MUCH FOR ROMANIA AS FOR THE SOVIET UNION. (A-19)

THE NEW YORK TIMES

TERENCE SMITH, IN A REPORT FROM JERUSALEM, DISCUSSES THAT A POLITICAL DEBATE OVER WHETHER TO ACCEDE TO EGYPT'S DEMAND FOR COMPLETE ISRAELI WITHDRAWAL FROM THE STRATEGICALLY IMPORTANT SINAI MOUNTAIN PASSES HAS OPENED DEEP DIVISIONS IN THE ISRAELI GOVERNMENT, THE RULING LABOR PARTY AND THE SMALLER PARTIES OF RIGHT AND LEFT. NO DECISION ON THE ISSUE IS EXPECTED BEFORE SUNDAY, WHEN THE CABINET OF PREMIER RABIN HAS SCHEDULED A FULL-DRESS REVIEW OF THE STALEMATED NEGOTIATIONS TOWARD A NEW INTERIM AGREEMENT ON SINAI. THE DECISION MAY EVEN BE DEFERRED UNTIL THE FOLLOWING SUNDAY IF THE GOVERNMENT HAS NOT OBTAINED ALL THE CLARIFICATIONS IT IS SEEKING ON THE DETAILS OF THE EGYPTIAN DEMAND AND THE AMERICAN ATTITUDE. (1)

SEYMOUR HERSH REVEALS THAT THE CIA, IN A MOVE THAT HAS SURPRISED, MYSTIFIED, AND ANGERED VARIOUS SEGMENTS OF WASHINGTON'S LEGAL COMMUNITY, HAS HIRED ARNOLO & PORTER, ONE OF THE CITY'S LEADING LAW FIRMS, TO SERVE AS CONSULTING COUNSEL DURING SENATE AND HOUSE HEARINGS ON THE AGENCY. (1)

MALCOLM BROWNE REPORTS THAT A U.S. SENATORIAL DELEGATION CONFERRED WITH LEONID BREZHNEV FOR TWO AND ONE HALF HOURS YESTERDAY AND CAME AWAY SAYING THEY WERE CONVINCED THAT THE SOVIET LEADER WAS GENUINELY WORRIED ABOUT THE ARMS RACE. THE SENATORS SAID THAT, IF NOTHING ELSE, THEIR VISIT HAD HELPED CONVINCE MOSCOW THAT DEALINGS WITH THE U.S. MUST INVOLVE THE CONGRESS AS WELL AS THE WHITE HOUSE IF RESULTS ARE TO BE ACHIEVED. (2)

ROBERT SEMPLE WRITES THAT THE GOVERNMENT OF PRIME MINISTER WILSON MOVED YESTERDAY ON SEVERAL FRONTS TO BUILD PUBLIC SUPPORT, PARTICULARLY AMONG THE TRADE UNIONS, FOR ITS PROPOSED MEASURES TO REDUCE BRITAIN'S HIGH INFLATION RATE. THE MEASURES WOULD PLACE A STATUTORY LIMIT OF TEN PERCENT ON WAGE INCREASES UNLESS LABOR AND MANAGEMENT AGREED BY THE

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END OF NEXT WEEK TO A VOLUNTARY POLICY THAT SATISFIES THE TEN PERCENT TARGET AND INCLUDES "CONVINCING ARRANGEMENTS FOR INSURING COMPLIANCE." (3)

IN AN UNSIGNED EDITORIAL, THE TIMES MAINTAINS THAT THE LONG-AWAITED SHOWDOWN IN BRITAIN'S ECONOMIC CRISIS IS HERE. CHANCELLOR OF THE EXCHEQUER HEALEY, SPEAKING FOR THE MODERATES IN THE LABOR GOVERNMENT, HAS DELIVERED WHAT AMOUNTS TO AN ULTIMATUM TO THE TRADE UNIONS, AND TO THE LEFT WING OF HIS OWN PARTY. UNDER THE IMPACT OF GALLOPING INFLATION, BRITAIN'S BALANCE OF PAYMENTS HAS BEEN FLOODING AND THE POUND STERLING RAPIDLY SINKING. THE TIME WAS OVERDUE FOR THE LABOR GOVERNMENT TO TAKE ITS STAND AGAINST THIS GATHERING DISASTER. MR. WILSON HAS BEEN TEMPORIZING TO HOLD HIS PARTY TOGETHER, AT LEAST UNTIL AFTER THE COMMON MARKET REFERENDUM. MR. WILSON WILL HAVE STRONG PUBLIC OPINION BEHIND HIM IF HE MAKES A REAL FIGHT TO BRING INFLATION UNDER CONTROL, BUT HE WILL HAVE TO GIVE FULL AND UNEQUIVOCAL BACKING TO MR. HEALEY, HIS "IRON CHANCELLOR," IN THIS CRUCIAL EFFORT TO RESCUE THE FOUNDERING BRITISH ECONOMY. (30)

THE BALTIMORE SUN

G. JEFFERSON PRICE REPORTS FROM BEIRUT THAT A U.S. ARMY COLONEL, MISSING SINCE SATURDAY, IS BELIEVED TO HAVE BEEN KIDNAPED BY A GROUP OF MEN -- POSSIBLY PALESTINIANS. (A-1)

PETER KUMPA WRITES THAT TWO DEMOCRATIC PRESIDENTIAL HOPEFULS -- TERRY SANFORD AND MORRIS UDALL -- SCOLDED THE FORD ADMINISTRATION YESTERDAY FOR RESERVING THE "FIRST USE" OF NUCLEAR WEAPONS IN CASE OF WAR. MR. SANFORD CALLED THE POLICY "OUTRAGEOUS AND IRRESPONSIBLE." REPRESENTATIVE UDALL CONSIDERED IT "ONE OF THE MOST ALARMING DEVELOPMENTS" IN FOREIGN POLICY THAT WAS "DESTABILIZING" FOR THE WORLD. (A-5)

MARQUIS CHILDS, IN AN COLUMN ON POLITICAL AND ECONOMIC PROBLEMS FACING EGYPT, ARGUES THAT BEYOND DIPLOMATIC TOING, AND FROING AND STATEMENTS OF STERN RESOLVE IS THE PRECARIOUS SADAT POSITION. HE CONFRONTS AN ECONOMIC CRUNCH THAT MUST BE MET WITH OUTSIDE HELP. EGYPT HAS AN IMMEDIATE PROBLEM OF SHORT-TERM LOANS, ON SOME OF WHICH "IT IS PAYING 20 PERCENT INTEREST." WITH BANKS BECOMING RESTIVE, A PLAN IS BEING PUT TOGETHER TO CONVERT THESE ITEMS TO LONG-TERM LOANS. WHILE UNDER AMERICAN DIRECTION THIS IS SHORT OF A FORMAL CONSORTIUM, IT WILL MEAN LOW-INTEREST RATES AND A SUBSTANTIAL SAVING IN SCARCE HARD CURRENCY. MR. SADAT HAS GIVEN HIS PEOPLE A SENSE OF FREEDOM AFTER THE OPPRESSIVE NASSER REGIME. BUT THEY EXPECT HIM TO DELIVER ON BOTH THE POLITICAL SIDE, IN A SETTLEMENT WITH ISRAEL, AND ON THE ECONOMIC. IF MR. SADAT

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IS FORCED OUT HE WILL BE REPLACED BY SOMEONE LESS LIKELY
TO SEEK A REASONABLE PEACE. (A-15)
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